

Revised on 4/10/14 to reflect amendments adopted through 4/9/14.

**FISCAL NOTE**  
**LEGISLATIVE FISCAL ANALYST ESTIMATE**

<b>ESTIMATE OF FISCAL IMPACT – STATE AGENCIES</b> (See narrative for political subdivision estimates)				
	<b>FY 2014-15</b>		<b>FY 2015-16</b>	
	EXPENDITURES	REVENUE	EXPENDITURES	REVENUE
GENERAL FUNDS				
CASH FUNDS				
FEDERAL FUNDS				
OTHER FUNDS				
TOTAL FUNDS				

**Any Fiscal Notes received from state agencies and political subdivisions are attached following the Legislative Fiscal Analyst Estimate.**

LB 700 contains the Risk Management and Own Risk and Solvency Assessment Act. The act requires the filing of a risk and solvency assessment summary report by insurers domiciled in the state. The report is to be filed with the Department of Insurance (DOI) upon request of the Director, no more than once each year. Some insurers are exempt from the filing requirements. The first filing is in 2015. A penalty of \$200 per day, up to a maximum of \$1,000, may be assessed by the Director if an insurer fails to file the report.

The act will result in a small workload increase for the DOI to request and maintain the required reports. The department indicates there will be approximately 49 insurers that will file the risk and solvency assessment report with the agency on an annual basis. The workload increase is projected to be minimal and can be handled with existing staff and resources of the department.

It is assumed there will be very few penalties assessed pursuant to the act. If penalties are assessed, the fine revenue will accrue to the county where the violation occurs for use by the public schools.

The bill, as amended on Select File, contains the provisions of LB's 715, 926 and 993 which have no fiscal impact. The bill also includes provisions of LB 688 which eliminate the requirement for a hearing in instances when the Director of the DOI issues a cease and desist order to a motor vehicle service contract provider. A provider may still request a hearing pursuant to a cease and desist order.

These provisions of the bill will decrease the workload of the legal staff at the DOI. The department indicates there are very few hearings due to the small number of cease and desist orders, so the reduction in workload will not be significant.